



Business Operations Division
Emerging Business Enterprise Program

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CITY OF MILWAUKEE OFFICE OF SMALL BUSINESS DEVELOPMENT

REVOLVING LOAN PROGRAM OVERVIEW

INTRODUCTION

The City of Milwaukee's Office of Small Business Development's (OSBD) Revolving Loan Program is designed to assist Minority, Woman, and Small Business Enterprises finance prime and sub contracts awarded to them.

LOAN PROGRAM PARAMETERS

- * Loan will be granted for up to 25% of the total contract dollars, with a maximum of \$35,000 and a minimum of \$1,500.
- * Loan funds may be used for working capital and/or bonding.
- * Loan repayment schedule will coincide with the contract payment schedule.
- * Failure to make payment on the loan will be cause for a firm to lose its MWSBE Certification status with the City of Milwaukee.
- * 5% fixed interest rate.

ELIGIBILITY REQUIREMENTS

- * Certification by the City of Milwaukee as an Minority, Woman, and/or Small Business Enterprise
- * Recipient of a City, MATC, MPS or MMSD contract as a prime or subcontractor
- * Maximum number of four (4) loans
- * Business must be located in the City of Milwaukee. PO Boxes are not acceptable

LOAN PROCESS

LOAN PROCEDURES

A. Application

1. OSBD staff will verify contract award, loan application data and use of loan proceeds.

B. Loan committee

1. Reviews loan application.
2. Makes a recommendation to approve or reject the loan request.

C. Loan closing

1. OSBD staff.
2. Legal counsel.
3. Comptroller's office.

D. Loan management

1. Monitor contract progress.
2. Communication with contracting department.
3. Communication with contractor – loan recipient.

E. Loan-closing review

1. Completed contract.
2. Final payment.

For additional information, please contact an OSBD staff member at 286-5553.

DOCUMENT REQUIREMENTS

The following is a checklist of requirements that must be provided by the applicant:

- ❑ Notarized Revolving Loan Application & Attachment 1A
- ❑ Documentation of conventional loan denial
- ❑ CDBG Employee Data form for **each** employee, CDGB Business Assistance Agreement form, and CDGB Business Assistance Data form.
- ❑ Copy of contract, either as a prime or subcontractor
- ❑ Business Plan
- ❑ Financial statements for the current year and previous year.
- ❑ Insurance and/or bonding forms
- ❑ Copy of IRS filings for the current year and previous year (business and personal)
- ❑ Copy of Incorporation papers (if applicable)
- ❑ Copy of City of Milwaukee MBE, WBE, and/or SBE certificate or approval letter
- ❑ Three business references

REVOLVING LOAN APPLICATION

I/WE HEREBY MAKE APPLICATION FOR A LOAN IN THE AMOUNT OF \$ _____

I. Applicant Information

Legal Name of Business: _____

Contact person and title held: _____

Business address: _____

Telephone number: _____ Fax number: _____

List all other business and/or inventory locations: _____

This business is a (choose one):

- ☐ Sole Proprietorship – complete section **A** only
- ☐ General Partnership – complete section **B** only
- ☐ Limited Partnership – complete section **C** only
- ☐ Corporation – complete section **D** only

A – Sole Proprietorship:

Name: _____

Home Address: _____

B – Corporation – and provide, Incorporation in State of _____ on _____

If not a Wisconsin corporation, list date of qualification to do business in Wisconsin: _____

All Stockholders of record as of this application date must be listed:

Name	Home address	% Ownership
_____	_____	_____
_____	_____	_____
_____	_____	_____

II. Date business established: _____

III. IRS Employer Identification Number: _____

IRS Taxpayer Social Security Number: _____

IV. Give detailed descriptions of business operations; including products and/or services rendered:

V. **List all outstanding credit obligations for this business:**

1.	Creditor:				
	Address:				
	Guaranteed or insured by:				Type of Loan:
	Payment Amount: \$		Maturity Date:		Rate: Original Amount:\$
	Current Balance:\$		Collateral:		
2.	Creditor:				
	Address:				
	Guaranteed or insured by:				Type of Loan:
	Payment Amount: \$		Maturity Date:		Rate: Original Amount:\$
	Current Balance:\$		Collateral:		
3.	Creditor:				
	Address:				
	Guaranteed or insured by:				Type of Loan:
	Payment Amount: \$		Maturity Date:		Rate: Original Amount:\$
	Current Balance:\$		Collateral:		
4.	Creditor:				
	Address:				
	Guaranteed or insured by:				Type of Loan:
	Payment Amount: \$		Maturity Date:		Rate: Original Amount:\$
	Current Balance:\$		Collateral:		
5.	Creditor:				
	Address:				
	Guaranteed or insured by:				Type of Loan:
	Payment Amount: \$		Maturity Date:		Rate: Original Amount:\$
	Current Balance:\$		Collateral:		

VII. **Legal Counsel representing applicant:**

Name:		
Address:		Telephone:

VIII. **Accountant for applicant:**

(Note: Applicant should authorize their accountants to answer any questions and supply any financial information requested by EBE staff.)

Name:		
Address:		Telephone:

X. Bonding Company and Bond Numbers (if necessary for the related contract):

Name: _____

Address: _____ Telephone: _____

Bond Numbers: _____

X. Insurance Company and Policy Numbers (if necessary for the related contract):

Name: _____

Address: _____ Telephone: _____

Policy Numbers: _____

XI. Eligibility of Applicant:

A. Check only one of the following business types:

- ☐ Owner (Sole Proprietorship);
☐ At least 51% of the General Partnership;
☐ If applicable, at least 51% of the Limited Partnership or
☐ At least 51% of the Corporation's stock is owned by person(s) who (for statistical purposes only):

- ☐ is female
☐ is a member of a racial minority group
☐ is/are member(s) of a disadvantaged group

B. Citizenship (circle appropriate category):

1. Owner – Sole Proprietors:
The owner is a citizen of the United States;
The owner is a resident of the State of Wisconsin.
2. General Partnerships:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.
3. Limited Partnership:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.
4. Corporations:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.

This business MUST be certified with the City of Milwaukee:

C.

Certification Date: _____ Expiration Date: _____

XII. **FINANCIAL AND CONTRACT INFORMATION:**

- A. Attach copy of the contract.
- B. Attach copy of insurance and/or bonding certificates required for this contract.
- C. Attach copy of most current financial statements or business/personal tax returns.

1. IF AN EXISTING BUSINESS, what are the gross annual sales for the past two years: (give the date the fiscal year ends)

Month / Day / Year	Gross sales	Income BEFORE Taxes
Month / Day / Year	Gross sales	Income BEFORE Taxes

2. Attach financial projections for the period covered by the contract or the fiscal year covering the contract period.
3. IF THIS IS A NEW BUSINESS, attach financial projections and state why you believe you will reach these goals.

Contract Number: _____ Total contract amount: \$ _____

Project Manger: _____

Title: _____ Telephone number: _____

Briefly describe the work to be performed under the contract: _____

The work schedule for this contract:

Start date: _____ Completion date: _____

Total number of people you will employ for the performance of this contract:

Existing employees: _____

New employees: _____

Total employed: _____

THE FOLLOWING INFORMATION IS FOR STATISTICAL PURPOSES ONLY:

Of the total number of existing employees listed above, list the number of:

_____ *Minority – race / ethnicity* _____
_____ *Women* _____
_____ *Non-Minority* _____

Will this loan help to continue the employment of those persons listed: ☐ Yes ☐ No

Will this loan increase the employment of minorities and/or women: ☐ Yes ☐ No

If so, how many minorities: _____ *women:* _____

XIII. Other principal Subcontractors for this contract:

1. Name: _____
Address: _____
Service: _____ Total dollars: _____
2. Name: _____
Address: _____
: _____
Service: _____ Total dollars: _____

XIV. Principal Suppliers for this contract:

1. Name: _____
Address: _____
Service: _____ Total dollars: _____
2. Name: _____
Address: _____
Service: _____ Total dollars: _____

XV. Please describe in detail how the dollars applied in this request will be used:

- I. Please provide a breakdown for the loan amount requested. This amount must equal the amount requested.
Working Capital (Payroll, Professional Services, Insurance, Materials, etc. – please specify):

Working Capital:

\$ _____ - Payroll

\$ _____ - Professional Services

\$ _____ - Insurance

\$ _____ - Supplies

\$ _____ - Materials

\$ _____ **TOTAL**

Fixed and Other Assets (List Equipment and attach price quotes).

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____ **TOTAL**

Total Loan Amount (*This amount **MUST** equal the loan amount requested*) \$ _____

How will this financing benefit the business?

XXI. Funding for this program is provided by the U.S. Department of Housing and Urban Development to meet specific National Objectives. Please Check A and/or B and at least on subcategory. For the OSBD Program these are usually the first one under A. below. EBE staff will assist you with this part of the application:

A. ☐ PRINCIPALLY BENEFITTING LOW AND MODERATE INCOME PERSONS

☐ JOB CREATION OR RETENTION (the assistance is directly linked to the creation or retention of permanent jobs, jobs that provide a substantial portion of the employees income for a significant portion of the year.) **A Job Creation or Retention Plan is attached.**

☐ AREA BENEFIT (usually store front improvements, retail or service businesses).

Please explain your answer:

B. ☐ AIDING IN THE PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

☐ AREA BASIS

☐ SPOT BASIS

Please explain your answer:

AFFIDAVIT

I, _____ (duly authorized representative of) _____ (business name)

HEREBY STATE THAT ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. THERE ARE NO MATERIAL MISREPRESENTATIONS OR MISSTATEMENTS OF ANY INFORMATION CONTAINED HEREIN. I ACKNOWLEDGE THAT THE INFORMATION IS SUBJECT TO VERIFICATION BY GOVERNMENT OFFICIALS. I FURTHER ACKNOWLEDGE THAT UPON AWARD OF ASSISTANCE THE BUSINESS IS OBLIGATED TO PRODUCE THE OUTPUT INDICATED IN THE APPLICATION REGARDING BENEFIT TO LOW AND MODERATE INCOME PERSONS OR AIDING IN THE ELIMINATION OF SLUMS AND BLIGHT. THE BUSINESS AGREES TO PRODUCE THE FOLLOWING: (Check one or more categories:)

CATEGORY

- ☐ 1. An Area Benefit
- ☐ 2. Job Creation (No. of Jobs To Be Created) _____
- ☐ 3. Job Retention (No. of Jobs To Be Retained) _____
- ☐ 4. Elimination of Slums or Blight Through:
 - ☐ A. Area Basis
 - ☐ B. Spot Basis

FAILURE TO COMPLY WITH ALL THE TERMS OF THIS AGREEMENT SHALL CREATE AN OBLIGATION TO REPAY ASSISTANCE AWARDED. THE REPAYMENT OBLIGATION SHALL BE DETERMINED BY EBE AND COULD INCLUDE FULL REPAYMENT OF THE LOAN. WHERE BELOW MARKET INTEREST RATES ARE CHARGED REPAYMENT PENALTIES SHALL INCLUDE REPAYMENT AT MARKET RATES.

DATE

BY: _____

TITLE: _____

SIGNED AND SEALED IN THE PRESENCE OF:

PERSONALLY CAME BEFORE ME THIS _____ DAY OF _____, 20____, THE
ABOVE NAMED _____ TO ME KNOWN TO
BE THE PERSON(S) WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THE SAME.

NOTARY PUBLIC

MY COMMISSION ☐ IS PERMANENT ☐ EXPIRES: _____

TO BE COMPLETED BY EBEP STAFF

This application was reviewed by the OSBD Manager

Signature: _____ Date: _____

Date of award _____ Amount of award _____ Term _____ Rate _____

OSBD RLP APPLICATION ATTACHMENT 1A
Confidential: Detach and file separately.

LEGAL NAME OF BUSINESS _____

The U.S. Department of Housing and Urban Development requires that we ask the following information:

RACE OF APPLICANT:

African-American ☐ American Indian ☐ Asian ☐
White ☐ Hispanic ☐ Other ☐

GENDER OF APPLICANT:

Male ☐ Female ☐

OPTIONAL:

Check all that apply:

☐ Is/Are a Member(s) of a Minority Group Historically Deprived of Normal Financial Resources;

☐ Is/Are otherwise impeded from financing because of social or economic factors, such as:

Please explain the basis for the status you have checked:

What other certifications do you have?

☐ MBE

☐ County DBE

☐ State DOT

☐ SBE

☐ Other